

Point of Contact:

Date:

Date Repaid<sup>1</sup>:

**UST Sequence Number:** 

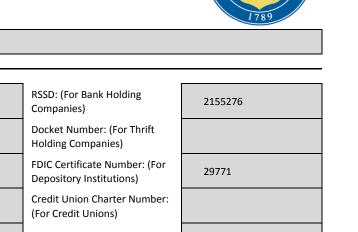
CPP/CDCI Funds Received:

CPP/CDCI Funds Repaid to

Date Funded (first funding):

(Include Holding Company Where Applicable)

KS Bancorp, Inc a Wholly owned subsidiary, KS Bank, Inc.



Smithfield

North Carolina

N/A

Regina Smith, CFO

1294

4,000,000

August 21, 2009

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

City:

State:

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<sup>&</sup>lt;sup>1</sup>If repayment was incremental, please enter the most recent repayment date.



(Include Holding Company Where Applicable)



KS Bancorp, Inc a Wholly owned subsidiary, KS Bank, Inc.

he Bank's securities portfolio increase slightly in 2011 from \$87.3 million at 12/31/10 to \$91.4 at 12/31/11.	ncrease securities purchased (ABS, MBS, etc.).  the Bank's securities portfolio increase slightly in 2011 from \$87.3 million at 12/31/10 to \$91.4 at 12/31/11.  Make other investments.		nortgage loans, small business ak's loan portfolio has decrease ns, commercial and small busin	ed in total, the Bank is still		wers. The Bank originates residenti
he Bank's securities portfolio increase slightly in 2011 from \$87.3 million at 12/31/10 to \$91.4 at 12/31/11.	he Bank's securities portfolio increase slightly in 2011 from \$87.3 million at 12/31/10 to \$91.4 at 12/31/11.					
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(Include Holding Company Where Applicable)



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The Bank's provision	for loan losses for 2011 totaled \$1.5 million which is a slight decrease from the \$1.6 million booked to the prov
in 2010. The Bank's loans at 12/31/2010	allowance for loan losses total \$3.5 million or 1.74% of gross loans at 12/31/2011, compared to \$4.0 or 1.84% of
Reduce borrowings	
At 12/31/2011 the E	ank's borrowings total \$ 50.1 million, a reduction of \$10 million from the \$60.1 at 12/31/10.
Increase charge-off	i.
	ge off loans for 2011 was \$2.0 million compared to \$1.5 million in 2010.



(Include Holding Company Where Applicable)









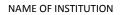
KS Bancorp, Inc a Wholly owned subsidiary, KS Bank, Inc. What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?







KS Bancorp, Inc a Wholly owned subsidiary, KS Bank, Inc. What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?







KS Bancorp, Inc a Wholly owned subsidiary, KS Bank, Inc.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.							